UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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(THA/78/008)
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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF THAILAND

Offshore Exploration for Tin and Heavy Minerals
(THA/78/008)

Report of the Administrator*

Date of present approval:	May 1980
Starting date of project activities:	January 1980 (including preparatory assistance)
Planned completion date:	August 1982
To be executed by:	United Nations
Government implementing agency:	Department of Mineral Resources, Ministry of Industry
Estimated cost of assistance planned under present approval:	$1 215 500
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. Thailand is currently producing about 12 per cent of the world supply of tin which, at current prices, is worth approximately $200 million annually and yields about 3 percent of the Gross National Product as well as being an important earner of foreign exchange. With the exploitation of existing on-shore and offshore tin reserves proceeding simultaneously, it is increasingly important for new reserves to be located to ensure the continuation and expansion of this important industry.

2. Preliminary assistance in the conducting of geophysical surveys in prospective areas in the Andaman Sea was provided during 1979 by the UNDP-assisted project, Technical Support for Regional Offshore Prospecting in the East Asia (CCOP) (Phase III) (RAS/77/037)1/

* In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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A geophysical survey was conducted under preparatory assistance to the present UNDP-assisted project during April and May 1980. The successful identification of prospective areas for further detailed exploration and possible exploitation of potential tin reserves in the designated areas, however, will require exploratory drilling as well as further geophysical surveys. For this reason the Government requested that UNDP provide further assistance under the present project.

II. Objectives and activities

3. The immediate objectives of the project are to: (a) explore for occurrences of submarine placer tin in three designated areas in the Andaman Sea; (b) carry out a preliminary evaluation of those occurences of tin and heavy minerals which are indicated to have economic value and future investment potential; and (c) train national staff in all aspects of offshore prospecting for tin and the evaluation of potentially economic occurrences. To this end, the project will undertake detailed geophysical surveys of the areas as well as follow-up reconnaissance drilling and sampling of prospective areas identified by the geophysical surveys. Detailed interpretation of the results will also be undertaken.

III. Inputs

4. UNDP will provide, through the Executing Agency, for the procurement of a completely equipped self-propelled floating drilling rig with accommodations for its crew and life-support systems to permit extended periods at sea as well as geophysical equipment. The services of two long-term advisers and three consultants and short-term training abroad will also be provided.

5. The Government will provide qualified professional and supporting staff, survey and supply vessels, office and laboratory accommodations and necessary supplies and equipment for the implementation of the project.

IV. Financial data

6. The expenditure components of the planned assistance are as follows:

	Previously approved	Present approval	Total approved
	$	$	$
Personnel	65 000	431 300	496 300
Subcontract	200 000	(200 000)	-
Training	-	12 000	12 000
Equipment	59 800	853 200	913 000
Miscellaneous	4 000	119 000	123 000
	328 800	1 215 500	1 544 300

7. The estimated total value, expressed in US dollars, of the inputs provided directly by the Government to the project is $1,440,500 in kind.

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